

5.5. CONTRACT 2021-065 - LANDFILL WASTE CARTAGE & DISPOSAL

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DEPARTMENT Resource Management

RECOMMENDATION

That Council:

1. Resolves to award Contract 2021-065 – Landfill Waste Cartage & Disposal to FGF Developments No.1 Pty Ltd & Remondis Australia Pty Ltd [trading as Springmount Waste Management Facility] (ABN 60 323 019 152) up to \$900,000 over two years (GST exclusive); and
2. Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.

EXECUTIVE SUMMARY

Douglas Shire Council has sought the services of a suitable contractor to move approximately 40 to 80 tonnes of dry mixed landfill waste per week to a facility holding a current Environmental Authority issued by the Department of Environment and Science. The term for the provision of the service is from 1 November 2021 to 31 October 2023 inclusive.

The Request For Tender (RFT) closed on 25 August 2021 and four submissions were received.

Table 1: Received Submissions Summary

Company	Skip Capacity (m3)	Payload (tonnes)	Price per load for levy waste (\$)	Comparative price for levy waste per tonne (\$)
Springmount Waste Management Facility	95	21	\$4,249.85	\$202.37
2	60	16.3	\$4,432.14	\$271.94
3	61	17	\$3,927.00	\$231.00
4	unknown	18.8	\$3,450.80	\$183.55

The submissions were independently evaluated by key internal stakeholders based on six criteria, which reflected the needs of Council.

The six criteria were:

1. Relevant Experience and Availability (15%)
2. Key Personnel Skills and Communication (15%)
3. Resources & Management Skills (10%)
4. Demonstrated Understanding & Methodology (15%)
5. Business Profile – Local, Social & Sustainability (20%)
6. Value for Money (25%)

BACKGROUND

Killaloe Landfill is reaching capacity after operating for the last 32 years. Council has no plans in place to pursue the opening of a new landfill in the Douglas Shire. Instead, Commercial & Industrial and Construction & Demolition waste self-hauled to Douglas Shire transfer stations will need to be carted and disposed of at a landfill located outside of the Douglas Shire.

In 2019 and 2020 Killaloe Landfill temporarily closed over the wet season to better control leachate levels.

During this time waste was carted by Springmount Waste Management Facility and disposed of at Springmount Landfill, a private landfill owned by the carting company located in Mareeba Shire.

Whilst Killaloe Landfill will be closed to new waste in December 2021, significant works will be required over the next 1.5 years to profile and cap the landfill.

In addition, under Council's Environmental Authority it is required to monitor leachate levels and groundwater quality for 30 years following the closure.

Once Killaloe Landfill closes to new waste, the site will move to a transfer station only facility. The landfill closure will have no immediate impact on kerbside general waste operations, collected by Council's contractor Cleanaway.

Kerbside general waste will continue to be bulked up at Killaloe Transfer Station and disposed of at the Bedminster plant in Cairns until 2026, which is a composting plant operated by Suez Recycling & Recovery Pty Ltd.

A Request for Tender was issued to the open market through Vendor Panel. When the tender closed on 25 August 2021 four submissions were presented. Internal stakeholders were asked to independently evaluate each offer.

Table 2 shows the evaluation criteria and collated weighted results of the independent evaluation.

Table 2: Collated Weighted Evaluation Results

Criteria	Criteria Weighting Applied	Springmount Waste Management Facility	2	3	4
Relevant Experience & Availability	15%	14.25	12.00	10.90	12.00
Key Personnel Skills & Communications	15%	11.00	13.50	11.90	5.00
Resources & Management Skills	10%	8.33	8.00	7.50	3.00
Demonstrated Understanding & Methodology	15%	15.00	11.00	13.00	8.00
Business Profile – Local, Social & Sustainability	20%	13.78	18.56	17.00	13.56
Value for Money	25%	22.50	17.50	20.00	25.00
Total:	100%	84.86	80.56	80.30	66.56
Overall Rank:		1	2	3	4

COMMENT

Springmount Waste Management Facility's price was the third most expensive from the four offers received. They demonstrated a clear understanding for the methodology, have highly relevant experience and the appropriate resources and management skills to undertake the work.

Their solution is a 95m³ tipping trailer with a payload of 21 tonnes. The vehicle is 18.8m in length and 2.5m in width, which meets the Resource Recovery Shed specifications for servicing the new landfill bay.

Their proposal was the only offer to include a landfill that they have operational and financial control over. Unlike the other three offers, their proposed disposal tonnage fee is fixed over the two-year period, excluding any State Government levy increases. This offer reduces the financial risk to Council, as other offers state that disposal fee increases will be passed on to Council. One offer stated that it would absorb disposal fee increases up to 8%, however increases above this amount would be passed on to Council.

It is intended that the contract used for this tender is an FNQROC framework contract, this document was provided to interested parties via the Vendor Panel portal. Springmount Waste Management Facility have proposed 16 contract amendments/clarification comments which will need to be negotiated and agreed upon prior to the contract being signed by both parties. Whilst it is likely that the majority of the amendments/clarification comments will be straightforward to address, Council may need to seek legal advice during the negotiation period.

PROPOSAL

It is proposed that Council adopts to accept the evaluation panel's award recommendations.

That Council

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2. Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.

FINANCIAL/RESOURCE IMPLICATIONS

The project has been budgeted in Council's Operational Plan 2021-22 as a core waste management service.

The amount of waste required to be carted and disposed of at an alternative landfill will vary based on incoming Commercial & Industrial and Construction & Demolition waste. It is expected that Council will require the movement of 40 to 80 tonnes per week. Pricing is based on a fixed transport cost per load, plus a tonnage disposal fee.

It is estimated that the cost of the contract will be up to \$900,000, excluding GST over the two-year contract period. The fees applicable to Council's transfer stations are based on a cost recovery model and include the State Government landfill levy (\$85.00 at the time of writing).

RISK MANAGEMENT IMPLICATIONS

In selecting Springmount Waste Management Facility, Council is choosing a reputable waste carting organisation and landfill operator. The supplier has existing contracts with Cassowary Coast Regional Council, Cook Shire Council and Tablelands Regional Council. Council is reducing its risk for disposal fee fluctuations by choosing a supplier which has operational and financial control over an active landfill.

SUSTAINABILITY IMPLICATIONS

Economic: Waste transport and disposal to an alternative landfill will cost Council more compared to the disposal of waste at Killaloe Landfill. Fees and charges imposed on users of Douglas Shire transfer stations may need to gradually increase in the coming years to appropriately reflect this increase. However, the establishment of a new landfill has huge establishment costs and environmental risks and are no longer permitted on the Wet Tropics coastal area.

Environmental: Waste will be disposed of at a facility holding a current Environmental Authority issued by the Department of Environment and Science. Council will continue to manage waste in line with the Waste Hierarchy, which lists waste management strategies in order of preference (1. Avoid, 2. Reduce, 3. Reuse, 4. Recycle, 5. Recover, 6. Dispose).

Social: Once the landfill closes, Killaloe will continue to operate as a transfer station servicing the Douglas Shire Community. Council's Technical Officer Waste Education will continue to work with local schools, businesses and community groups to promote reuse and recycling.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector. Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 1 - We will build appropriate infrastructure and deliver services that connect and support businesses.

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

Goal 2 - *We will put the customer at the centre of our service delivery and process improvement as we deliver efficient and appropriate services based on community expectations.*

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Service Provider Council provides many services to the community from roads and waste services to libraries and recreational facilities. Services evolve over time and it is the Council's mission to ensure that these services are appropriate, delivered efficiently, and designed with the customer at the centre.

CONSULTATION

Internal: Resource Management Team, Procurement Team

External: Mareeba Shire Council

ATTACHMENTS

Nil